

SB2156



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2156

Introduced 7/14/2015, by Sen. Bill Cunningham

SYNOPSIS AS INTRODUCED:

40 ILCS 5/15-111

from Ch. 108 1/2, par. 15-111

Amends the State Universities Article of the Illinois Pension Code. Provides that severance payments are not included in the definition of "earnings".

LRB099 13062 RPS 36944 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Section 15-111 as follows:

6 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

7 (Text of Section WITHOUT the changes made by P.A. 98-599,
8 which has been held unconstitutional)

9 Sec. 15-111. Earnings.

10 (a) "Earnings": An amount paid for personal services equal
11 to the sum of the basic compensation plus extra compensation
12 for summer teaching, overtime or other extra service. For
13 periods for which an employee receives service credit under
14 subsection (c) of Section 15-113.1 or Section 15-113.2,
15 earnings are equal to the basic compensation on which
16 contributions are paid by the employee during such periods.
17 Compensation for employment which is irregular, intermittent
18 and temporary shall not be considered earnings, unless the
19 participant is also receiving earnings from the employer as an
20 employee under Section 15-107.

21 With respect to transition pay paid by the University of
22 Illinois to a person who was a participating employee employed
23 in the fire department of the University of Illinois's

1 Champaign-Urbana campus immediately prior to the elimination
2 of that fire department:

3 (1) "Earnings" includes transition pay paid to the
4 employee on or after the effective date of this amendatory
5 Act of the 91st General Assembly.

6 (2) "Earnings" includes transition pay paid to the
7 employee before the effective date of this amendatory Act
8 of the 91st General Assembly only if (i) employee
9 contributions under Section 15-157 have been withheld from
10 that transition pay or (ii) the employee pays to the System
11 before January 1, 2001 an amount representing employee
12 contributions under Section 15-157 on that transition pay.
13 Employee contributions under item (ii) may be paid in a
14 lump sum, by withholding from additional transition pay
15 accruing before January 1, 2001, or in any other manner
16 approved by the System. Upon payment of the employee
17 contributions on transition pay, the corresponding
18 employer contributions become an obligation of the State.

19 (a-5) Payments made to facilitate termination of
20 employment or to induce someone to retire, or not to retire,
21 are not for services rendered but are made in conjunction with
22 an employee's termination of employment or retirement and are
23 not "earnings". These payments shall not be included in the
24 final rate of earnings under Section 15-112.

25 (b) For a Tier 2 member, the annual earnings shall not
26 exceed \$106,800; however, that amount shall annually

1 thereafter be increased by the lesser of (i) 3% of that amount,
2 including all previous adjustments, or (ii) one half the annual
3 unadjusted percentage increase (but not less than zero) in the
4 consumer price index-u for the 12 months ending with the
5 September preceding each November 1, including all previous
6 adjustments.

7 For the purposes of this Section, "consumer price index u"
8 means the index published by the Bureau of Labor Statistics of
9 the United States Department of Labor that measures the average
10 change in prices of goods and services purchased by all urban
11 consumers, United States city average, all items, 1982-84 =
12 100. The new amount resulting from each annual adjustment shall
13 be determined by the Public Pension Division of the Department
14 of Insurance and made available to the boards of the retirement
15 systems and pension funds by November 1 of each year.

16 (Source: P.A. 98-92, eff. 7-16-13.)